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Rebellion in the G.O.P. Sinks a Bill

By EDMUND L. ANDREWS

ASHINGTON, Friday, June 25 - After insisting for months that the federal budget deficit should be reduced by spending cuts rather than tax increases, House Republicans were blocked by a rebellion in their own ranks early Friday over a bill that would have imposed tough limits on spending.

Voting 286 to 146, the House defeated a bill that would have frozen or reduced spending on most discretionary programs outside of defense and domestic security, while leaving the way clear to make <u>President Bush's</u> tax cuts permanent.

The vote highlighted the conflict among Republican lawmakers, who have control of both the House and Senate, over how to claim the mantle of fiscal responsibility.

House and Senate Republicans had already been unable to pass a budget resolution, which provides the framework for spending and taxes, because they could not agree on whether lawmakers should be required to find ways to pay for new tax cuts as well as new spending programs. House Republicans insisted that lawmakers should apply such restrictions only to new spending, but a handful of Republican moderates in the Senate demanded that limits apply to tax cuts as well.

The shortfall in the federal budget is expected to reach a record of more than \$400 billion this year, and permanently extending last year's tax cuts could add \$1.4 trillion to the deficit over the next 10 years.

House Republicans found themselves at odds with a powerful and turf-conscious group within their own party: members of the House Appropriations Committee, who complained that the spending limits would violate the Constitutional requirement for separation of powers between Congress and presidency.

"Statutory caps would bring the executive branch into the mix of setting the budget," charged Representative C. W. Bill Young, Republican of Florida, the chairman of the House Appropriations Committee. "O.M.B. would be in the driver's seat," he said, referring to the White House Office of Management and Budget.

The chairman of the House Budget Committee, Representative Jim Nussle of Iowa, pleaded in vain for support. "I would ask that each and every one of us think about each other," Mr. Nussle said. "You've got to have a budget and you've got to have enforcement."

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